

INDUSTRY DEVELOPMENT



**SITE
LOCATION
REPORT
1990**

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INTRODUCTION

Manitoba welcomes the opportunity to present a proposal to assist your company in examining this province as a potential manufacturing location. Upon investigation, you will find Manitoba is a very cost-effective and progressive place from which to transact your manufacturing business.

The Government of Manitoba has made economic development a top priority. Some of the advantages that you will find locating in Manitoba include:

1. A skilled and stable workforce that truly has a proud work ethic. Manitoba's record of work stoppages for any reason has been traditionally the lowest in Canada. Senior officials of multinational companies that have plants in Manitoba will be pleased to inform you of the high productivity of Manitoba workers. Industrial training facilities rank among the finest on the continent.
2. Manitoba's transportation system is sophisticated and efficient. Winnipeg is a major Canadian centre for rail and truck freight distribution. Our central location guarantees cost-effective transportation to all major North American points.
3. Winnipeg offers a low cost place to conduct business:
 - a) Electrical energy rates are among the lowest published rates in North America.
 - b) Natural gas rates are very competitive.
 - c) Our industrial wage rates are the most competitive in Canada. This is principally due to the fact that Manitoba is one of the lowest cost of living locations in Canada.
 - d) The cost of good industrial land is relatively inexpensive in Winnipeg. Also our construction companies are experienced and reasonable.
 - e) Shipping rates in and out of Winnipeg are extremely competitive.
4. Manitoba's diversified economy and manufacturing base ensures broad availability of the support services and sub-contractors required to keep a new plant producing.
5. A Winnipeg location will allow the employees of the new location to enjoy an excellent quality of life. The city is close to some of the most beautiful lakes in the world. It is also a safe and clean city with many well maintained parks. The people of Winnipeg are proud of their city and this is reflected in the manner they support the many excellent cultural and recreational orientated facilities and activities.
6. The government of Manitoba recognizes the importance of business. The co-operation between all levels of government and private enterprise is recognized and supported.

Let's talk business.

A GENERAL OVERVIEW

The Province of Manitoba is located in the geographical heartland of North America. Its 650,000 square kilometres (251,000 square miles) is roughly 2 1/2 times the size of the United Kingdom and five times larger than the State of New York. It extends 1,225 km (765 miles) north to south where we border the U.S. Midwest at Minnesota and North Dakota. It has 655 km (409 miles) of coastline on Hudson Bay.

The diversified nature of the Manitoba economy - a traditionally stable mixture of service industries, agriculture, manufacturing, mining and forestry - has lent an important measure of stability to overall economic performance.

Manitoba's one million plus people have been nurtured in a pioneer tradition of accepting challenge and succeeding. The stable, well-trained workforce of 542,000 has traditionally enjoyed the best labour relations in the country.

Predictions for continued growth and expansion of the provincial economy are bolstered by a number of key initiatives:

- an agreement to supply \$2.3 billion worth of electricity to an American utility and negotiations with several others;
- an expansion of hydro-electric generating capacity which could pump \$6.4 billion into the economy over the next decade and produce thousands of jobs;

The objective of the Government of Manitoba is to seek stable, steady growth. The Government is committed to working with all sectors of the economy - business, industry, labour - to expand opportunities and to develop the province's long-term potential.

One of Canada's largest banks stated in its economic outlook recently; "We expect Manitoba to lead the nation in terms of real growth during the decade to 1994."

SUMMARY OF ECONOMIC INDICATORS

(Millions of Dollars Except as noted)	<u>1986</u>	<u>1987</u>	<u>1988p</u>
Gross Domestic Product	18,807	19,983	21,649
Employed (thousands)	486	492	494
Unemployment (%)	7.7	7.4	7.8
Manufacturing Shipments	5,700	5,894	6,237
Capital Investment	3,584	3,516	3,714
Building Permits	810	863	789
Housing Starts	7,699	8,174	5,455
Retail Trade	5,444	5,770	5,972
Farm Cash Receipts	2,076	2,097	2,054
Consumer Price Index	130.9	136.4	142.1
Average Weekly Wages/Salaries	402.06	413.72	421.93

Manitoba's economy has continued a pattern of stable, consistent growth. It has not been subject to the great swings in economic activity which characterize the "boom and bust" cycles of other jurisdictions.

The Service Sector is the largest in the provincial economy, accounting for more than 75 percent of the real Gross Provincial Product and more than 72 percent of employment.

The Secondary Sector, which includes manufacturing and construction, accounts for 18 percent of Gross Provincial Product (GPP) and 18 percent of total employment.

Agriculture, mining, forestry, fishing and trapping combine to form the Primary Sector, which accounts for 7 percent of GPP and 10 percent of employment.

This stable, diversified economy has protected Manitoba from the economic downturn of the earlier part of the decade and has allowed the province to move forward in expanding and strengthening its economic foundation.

People

Manitoba has a population of 1,083,300 (1989). Winnipeg, Manitoba's capital city, has a population of 631,000. Ethnic origins from the 1987 census include the following major groups:.

English	158,190	Irish	24,235
German	96,165	Netherlands	27,875
Ukrainian	79,940	Danish	1,395
Icelandic	6,980	Norwegian	2,515
Swedish	3,335	French	55,605
Polish	22,015	Scottish	40,825
Jewish	13,875		
Status Indians	40,965		

PRODUCTION COSTS

COMPARATIVE MONTHLY INDUSTRIAL ELECTRIC BILLS
1,000 KW DEMAND
400,000 KILOWATT - HOURS
1988

NEW YORK	\$45,400*
CHICAGO	\$34,300*
BOSTON	\$39,200*
ST. LOUIS	\$35,400*
DETROIT	\$34,300*
LOS ANGELES	\$34,800*
ATLANTA	\$28,600*
PORTLAND	\$22,300*
BIRMINGHAM	\$24,900*
DALLAS	\$23,500*
LOUISVILLE	\$24,200*
HALIFAX	\$24,500
TORONTO	\$22,200
MONTREAL	\$18,700
CALGARY	\$17,300
VANCOUVER	\$16,100
MANITOBA	\$14,500

Note: All amounts are in Canadian dollars

Source: Manitoba Hydro Rates Department
* Ontario Hydro Rates Department

WATER RATES

The City of Winnipeg sets water and sewage rates and limits on sewage industrial waste. Water and sewer service user charges in the City of Winnipeg are summarized:

	<u>Water Rate</u> <u>per 100 cubic feet</u>	<u>Sewer Service</u> <u>per 100 cubic feet</u>
First 9,600 cubic feet/3 months	\$1.13	\$1.22
9,600-96,000 cubic feet/3 months	\$.88	\$1.22
Over 96,000 cubic feet/3 months	\$.60	\$1.22

NATURAL GAS RATES

ICG UTILITIES

GREATER WINNIPEG GAS COMPANY

Competitively priced natural gas service is available in most centers in Manitoba. Rates for specific areas are available on request. The following gives an example of pricing.

Firm Sales Service Rate Schedule
(Interim Rates)

Territory:	Entire natural gas service area of the Company.	
Availability:	For gas supplied through one meter to residential, commercial and small industrial customers on a firm basis.	
Rate:	Fixed Monthly Charge: \$6.25 per month for all residential customers and for all commercial and industrial customers metered through domestic - sized meters. \$18.75 per month for all commercial and industrial customers metered through meters other than domestic - sized meters.	
Commodity Charge:	First 200.0 Mcf per month or less	\$3.836 per Mcf
	All additional volume	\$3.116 per Mcf
Minimum Monthly Bill:	Equal to the fixed Monthly Charge as described above. For a customer using gas on a stand-by basis - the monthly bill shall be based on the fixed costs - associated with the service with a minimum of \$25.00	

REAL ESTATE MARKET CHARACTERISTICS

	<u>1988</u>	<u>1989</u>
RENTS	\$2.75 - \$4.50/SQ. FT. NET	INCREASE
VACANT SPACE	500,000 SQ. FT.	STABLE
ABSORPTION RATE	1.5 MILLION SQ.FT./ANNUM	INCREASE

WINNIPEG INDUSTRIAL ZONES (1989)

	<u>PRICE/ACRE</u>
SOUTH WEST	\$65,000 - 85,000
NORTH WEST	\$65,000 - 250,000
SOUTH EAST	\$45,000 - 55,000
NORTH EAST	\$50,000 - 55,000

INDUSTRIAL SQ. FOOTAGE COST BY PRICE RANGE 1989

MONTREAL	\$ 4.50 - 5.50
OTTAWA	\$ 4.50 - 6.00
TORONTO	\$ 4.00 - 5.75
WINNIPEG	\$ 2.75 - 4.50
REGINA	\$ 4.00
CALGARY	\$ 3.50 - 4.50
EDMONTON	\$ 2.75 - 3.25
VANCOUVER	\$ 4.83

Source: Royal LePage Market Survey

AVERAGE RESIDENTIAL HOUSING PRICES

	<u>1987</u>	<u>1988</u>	<u>1989</u>
VANCOUVER	\$131,000	\$139,000	\$176,000
EDMONTON	\$78,350	\$81,500	\$85,000
CALGARY	\$93,400	\$100,850	\$106,000
REGINA	\$67,750	\$67,750	\$72,000
WINNIPEG	\$78,000	\$82,600	\$83,300
TORONTO	\$180,000	\$192,500	\$240,000
OTTAWA	\$117,500	\$122,200	\$137,000
MONTREAL	\$89,850	\$97,038	\$108,658
HALIFAX	\$85,900	\$89,300	\$93,500
CANADA	\$110,000	\$116,500	\$136,000

Source: Royal LePage Market Survey 1989

CONSUMER PRICE INDEX
Winnipeg and Canada (1981 = 100)

	<u>WINNIPEG</u>	<u>CANADA</u>
1980	90.0	88.9
1981	100.0	100.0
1982	108.8	110.8
1983	116.1	117.2
1984	120.3	122.3
1985	125.3	127.2
1986	130.9	132.4
1987	136.4	138.2
1988	142.1	143.8

Source: Statistics Canada

UNEMPLOYMENT RATE BY PROVINCE & CANADA - MAY 1989

NFLD.	15.8%
P.E.I.	11.1
N.S.	9.4
N.B.	12.4
QUEBEC	9.8
ONTARIO	4.9
MANITOBA	7.5
SASKATCHEWAN	7.4
ALBERTA	6.7
B.C.	9.4
CANADA	7.5

Source: Statistics Canada

AVERAGE WEEKLY EARNINGS MANUFACTURING
January 1989 (includes overtime) \$CDN

NFLD.	\$518.79
P.E.I.	383.38
N.S.	497.53
N.B.	526.50
QUEBEC	527.92
ONTARIO	589.92
MANITOBA	474.05
SASKATCHEWAN	523.48
ALBERTA	554.74
B.C.	597.49
CANADA	566.26

Source: Statistics Canada

EMPLOYMENT BY INDUSTRY, 1987 to 1988

	<u>1987</u> (000's)	<u>1988</u> (000's)	1988 Share of Total Employment(per cent)
AGRICULTURE	40	17	7.5
MINING AND OTHER PRIMARY (1)	9	10	2.0
MANUFACTURING	56	63	12.8
CONSTRUCTION	25	23	4.7
UTILITIES	6	6	1.2
GOODS PRODUCING SECTOR	135	139	27.9
TRANSPORTATION, COMMUNICATION AND STORAGE	41	42	8.5
WHOLESALE AND RETAIL TRADE	88	87	17.6
FINANCE, INSURANCE AND REAL ESTATE	29	26	5.3
BUSINESS AND PERSONAL SERVICES	76	81	16.4
COMMERCIAL SERVICES	233	235	47.6
HEALTH AND WELFARE	51	50	10.1
EDUCATION	33	33	6.7
PUBLIC ADMINISTRATION	40	39	7.9
NON - COMMERCIAL SERVICES	124	121	24.5
TOTAL EMPLOYMENT	492	494	100.0

(1) Other primary includes forestry, fishing, hunting and trapping.

Note: Totals may not add due to rounding.

Source: Manitoba Economic Statistics
Department of Finance, June 1989

CULTURE AND RECREATION

A new facility will have no problem attracting an intelligent, skilled and motivated labour force from Manitoba's population. However, should the company decide to relocate employees from elsewhere to Manitoba, they will find Manitoba to have an abundance of excellent recreational opportunities and facilities as well as a richly varied cultural infrastructure.

QUALITY OF LIFE

Manitoba offers employees a safe, clean, progressive environment. It is ideal for raising families as it has a very good public school system and our universities are of a high calibre. The population is friendly and there is a strong sense of community involvement and pride.

For example, communities are well planned with many parks and playgrounds. There is a vibrant night life with many different sources of quality entertainment. There are also a multitude of arenas, swimming pools, golf courses, tennis courts and other recreational facilities within the city. Outside the city is some of the most beautiful lake country in the world, 4,000 square miles of provincial park land present summer and winter recreational opportunities.

COST OF LIVING

As well, Winnipeg has a relatively low cost of living - as the table below illustrates.

Consumer Price Index
Winnipeg and Canada (1981 = 100)

<u>Year</u>	<u>Winnipeg</u>	<u>Canada</u>
1980	90.0	88.9
1981	100.0	100.0
1982	108.8	110.8
1983	116.1	117.2
1984	120.3	122.3
1985	125.3	127.2
1986	130.9	132.4
1987	136.4	138.2
1988	142.1	143.8

SURVEY OF HOUSE PRICES BY MAJOR CANADIAN CITIES

July 1989 Actual Dollars

	<u>Bungalow</u>	<u>Town House</u>
Winnipeg (St. James)	101,000	57,000
Regina (South)	90,000	60,000
Saskatoon (North & East)	94,500	66,000
Calgary (Strathcona Park)	124,000	129,000
Edmonton (Sherwood Park)	91,000	62,800
Vancouver (West)	245,000	240,000
Victoria	127,500	110,000
Thunder Bay	132,500	72,000
Toronto (North)	340,000	240,000
Ottawa (Kanata)	137,000	106,000
Montreal	115,000	100,000
(Dollard-des-Ormeaux)		
Halifax (Clayton Park)	124,000	91,000

Data Source: Royal LePage Survey of Canadian House Prices.

Art: Winnipeg Art Gallery is one of the city's more unusual buildings. It was designed by Gustavo DeRosa and officially opened in 1971. It features the largest Inuit sculpture collection in the world. Private galleries are found in every area of the city and cater to every taste.

Dance: The Royal Winnipeg Ballet is synonymous with dance in Winnipeg. This dynamic, versatile young company has gained international acclaim and students from around the world are attracted to its excellent professional division. Winnipeg's Contemporary Dancers have built their reputation on skill, daring, innovation and creativity. The company presents three works annually. Ethnic dance groups underline Winnipeg's cultural heritage in demonstrations of their folklore with all the finesse of professional dance troupes. These dancers are at their very best during Folklorama.

Music: Two classical series, a Pops series, a Children's series and a Christmas presentation keep the Winnipeg Symphony Orchestra busy throughout a long season. On a smaller scale, the Winnipeg Chamber Music Orchestra presents an excellent candlelight series. Students and the University of Manitoba School of Music present recitals and concerts, as well as featuring guest artists. The Manitoba Opera Association, under the direction of Irving Gutman, presents three full productions annually featuring guest artists, as well as an exceptional array of local talent. Winnipeg school children and others look forward to the annual Manitoba Music Festival as an opportunity to showcase their talent and benefit from thoughtful adjudication.

The Centennial Concert Hall and Playhouse Theatre are scenes for a variety of musical presentations and celebrity concerts. Major rock groups often appear at the Winnipeg Arena. For Jazz lovers, there is the Winnipeg Jazz Society.

Theatre: The Manitoba Theatre Centre presents six mainstage productions each year. The Warehouse Theatre, affiliated with M.T.C., brings new and sometimes experimental works to Winnipeg audiences. Canada's oldest consistently performing theatre company, Le Cercle Moliere, is an innovative French language company whose productions are well worth seeing.

Other groups offering regularly scheduled productions are Prairie Theatre Exchange, Actor's Showcase, and Phoenix Productions. The drama departments of our universities present excellent productions annually. Rainbow Stage, in Kildonan Park, presents two outdoor musicals each summer.

Museums: There are about 130 museums in large and small communities throughout the province, 30 in Winnipeg alone. Pioneer heritage, history (cultural, ethnic, community, natural history), science, sports, agriculture and farm implements, shipping, clothing, mining, and automobiles are among the many subjects around which museums have been developed. Many museums are open year-round, but others are seasonal in operation.

The Manitoba Museum of Man and Nature is one of the finest interpretive museums in Canada. The Aquatic Hall of Fame and Museum of Canada features aquatic memorabilia, a library of aquatic sports literature and one of the largest sport stamp collections in the world.

Annual Events:

Manitoba has close to 50 festivals that reflect the richness of its natural resources and the various cultural backgrounds of the people. All are fun-filled events with contests, special foods, and celebrations. Outstanding among them in summer are the Provincial Exhibition of Manitoba in Brandon, Folklorama in Winnipeg (ranked as one of North America's 100 best annual events), the Icelandic Festival in Gimli, the Winnipeg Folk Festival (one of the largest in North America), Canada's National Ukrainian Festival in Dauphin, Opasquia Indian Days in The Pas, Pioneer Days in Steinbach, York Boat Days in Norway House, Thompson Nickel Days in Thompson, the Morris Stampede in Morris, the Trout Festival in Flin Flon, the Fete Franco-Manitobaine in La Broquerie, the Threshermen's Reunion in Austin, and the Corn and Apple Festival in Morden. Winter brings the Festival du Voyageur in St. Boniface, the Trappers' Festival in The Pas, the Canadian Power Toboggan Championships in Beausejour, and the Royal Manitoba Winter Fair in Brandon.

Films: There are 17 movie theatres with a total of 27 screens, and one drive-in theatre in Winnipeg. The majority of movie houses are located downtown. There are also four theatres that concentrate on offering special series.

Winnipeg's Sport Facilities

Most communities in Manitoba have arenas, ball fields and other developed recreation facilities. For example, in Winnipeg there are five outdoor, fully developed fitness trails in Winnipeg and two fully equipped city owned recreation complexes. As well, the YWCA, the YMHA and five YMCA branches have fully equipped athletic facilities. There are 14 privately owned fitness clubs. The city operates 13 indoor swimming pools and there are various swimming clubs. Winnipeg also has 20 bowling establishments.

Curling is a pleasant winter sport enjoyed by many Winnipeg residents. There are 22 curling rinks in the city offering leagues of all descriptions. There are two indoor tennis clubs and the city operates public, outdoor tennis courts in every community. In terms of skating and hockey, there are 18 indoor skating rinks and numerous outdoor facilities. Hockey leagues operate at all ages and skill levels. For spectators of hockey, there are the Winnipeg Jets of the National Hockey League. There are also figure skating and speed skating clubs. Other sporting endeavours include:

Cycling: Cycling is a favourite summer activity for many residents. Recreational cyclists can be found in all city parks and quiet riverside streets. The city closes certain streets to vehicular traffic on Sundays during the summer to allow cyclists to enjoy the quiet beauty of these areas. Competitive cycling is also active.

Football: The province has very active high school, junior and community club football leagues. In addition, the University of Manitoba Bisons provide quality entertainment. The Winnipeg Blue Bombers of the Canadian Football League offer Manitobans professional football.

Riding: Many Manitobans take advantage of the riding clubs and schools which offer everything from dressage to western-style trail rides. Winnipeg also has a newly formed special riding club for handicapped children.

Horse Racing: The thoroughbreds run from early spring to late fall at Assiniboia Downs. The cold weather marks the start of the harness racing season at the Downs. The Manitoba Great Western Harness Racing Circuit operates throughout Southern Manitoba from May to September. Chariot races are also popular at most country rodeos in the province.

Auto Racing: Winnipeg Speedway and Gimli Raceway provide racing fans with fun and excitement. Demolition Derbies are held frequently at Winnipeg Beach.

Skiing: Manitoba has developed downhill ski resorts which cater to most levels of skiing. Downhill beginners can ski at Springhill near Bird's Hill Park. Another popular outdoor winter sport in the province is cross-country skiing. All of the municipal golf courses are open for cross-country skiing. Trails are lighted so that you can get in an extra run after the early winter sunset.

Golf: The province boasts thirty two excellent golf courses public and private.

Soccer: The city hosts a professional soccer team known as the Winnipeg Fury which competes on a national basis.

Regional Parks:

Winnipeg has an extensive park system. The city offers residents the beauty and charm of 2,964 hectares of park land with services, facilities and attractions for every member of the family. The city maintains over 33 kms of riverbank to afford public access to one of the city's natural assets.

In addition to riverbanks, playgrounds, neighbourhood parks and athletic fields, the city has several major regional parks. Assiniboine Park is a favourite with many because of its great diversity including the English Gardens and special floral displays in the Conservatory. Other features include: cricket and field hockey, picnic facilities, a miniature train, and a zoo. In winter this park is a delight for cross-country skiing, snowshoeing, and skating with the added touch of horse-drawn sleigh rides.

Kildonan Park's formal gardens, large old trees, monuments to the early Selkirk Settlers, and abundant playing fields draw families throughout the year. An olympic-size outdoor pool and Rainbow Stage add to the summer fun and excitement. St. Vital Park has a fitness trail, picnic areas and expansive play areas.

Kilcona Park is the city's newest and most ambitious regional park. Located on a reclaimed landfill site in the city's northeast, this park will be the city's largest. Initial development includes the Harbour View golf course and recreation complex complete with tennis courts, pedal and row boat rentals.

Natural park areas are also gaining popularity. Within the city the Assiniboine Forest is home for a herd of white-tailed deer and a great variety of birds. This park is a joy for walkers, cyclists and cross-country skiers. Cross-country skiers flock to the quiet solitude of La Barrier Park, south of the city. Located along the La Salle River, this park is ideal for a canoe trip or a walk in the woods.

The above descriptions include only some of Manitoba's attributes but in summary, Winnipeg has many fine cultural amenities and superior recreational opportunities.

LABOUR

Manitoba can supply your company with a dedicated and skilled workforce. We will be pleased to introduce your officials to any of Winnipeg's employers who will address the subject of the productivity and skill level of Manitoba's workers.

Manitoba's diverse economy provides stability and protection from the wide economic fluctuations that have impacted on other Canadian industrial centres from time to time. Over half a million people are employed in Manitoba in a wide variety of occupations. The table below illustrates the broad range of jobs handled by our population.

MANITOBANS EMPLOYED BY OCCUPATION - JUNE, 1989 (000's)

All Occupations	501
Agriculture	43
Other Primary	10
Manufacturing	62
Construction	22
Transportation and Utilities	45
Trade	85
Finance, Insurance and Real Estate	30
Service	162
Public Administration	41

Source: Statistics Canada

COMPETITIVE WAGE RATES

Wages: Manitoba is also highly competitive in terms of wage rates for industrial workers. The table below points out the Canadian averages for manufacturing wages. One reason for the competitive wage structure in Manitoba is that our cost of living is one of the lowest in Canada.

	Average Hourly Earnings Manufacturing March, 1989	Average Weekly Earnings All Industries March, 1989
Manitoba	\$11.38	\$420.59
Nova Scotia	11.98	427.13
Quebec	12.40	463.54
Newfoundland	13.12	463.39
New Brunswick	12.88	433.97
Saskatchewan	12.90	420.59
Ontario	13.68	496.10
Alberta	13.13	478.57
British Columbia	16.05	486.02
Prince Edward Island	8.95	391.50
Canada	13.37	477.21

Source: Statistics Canada

LABOUR FORCE STABILITY

Time Lost Due to Work Stoppages

	<u>1987</u>	<u>1988</u>
NFLD.	393.2	183.7
P.E.I.	0	0
N.S.	14.8	166.2
N.B.	73.2	298.1
QUEBEC	526.5	289.9
ONTARIO	263.9	285.3
MANITOBA	182.3	128.2
SASKATCHEWAN	79.1	226.8
ALBERTA	61.7	247.2
B.C.	525.6	314.0
CANADA	376.2	457.8

NOTE: Days Lost per 1,000 paid non-agricultural workers

Source: Labour Canada

Labour Productivity: In large measure labour productivity is a function of the amount of capital equipment per worker. By and large Manitoba's labour productivity falls in the average of Canada's despite having large concentrations of workers in industries of low capitalization such as the food and beverage sector and clothing manufacturing.

Union Activity: 28.9% of paid workers in Manitoba belong to a union. This compares with Ontario where 35.0% of paid workers are union members, 38.1% in Quebec and 33.0% in Nova Scotia. There are 14 unions active in Manitoba whose membership totals 2,000 or more. The three largest unions are civil service associations.

AVAILABILITY OF MANPOWER

Manitoba offers a wide range of occupations. Provided below are some prevailing wage rates as at September, 1988.

<u>Occupation</u>	<u>Wage Rates</u>
Accountants	\$3000/month
Chemists	\$2464/month
Tool and Die Makers	\$1969/month
Machinists	\$1834/month
Welder	\$1631/month
Airframe Assembler	\$1279/month
Electronic Equipment Mechanics	\$1865/month
Aero Engine Mechanics	\$1461/month
Millwright	\$2434/month
Heavy Duty Equipment Mechanic	\$2119/month
Farm Equipment Mechanic	\$1225/month
Diesel Mechanic	\$1986/month
Carpenters	\$1225/month
Truck Drivers	\$1986/month
Electronic Equipment Assembler	\$1998/month
Labourer, Assembly	\$951/month
Assembler, Production	\$1128/month
Maintenance Mechanic	\$1583/month
Material Handler (Labourer)	\$1117/month

EDUCATION AND TRAINING SUPPORT

1. EDUCATIONAL INSTITUTIONS

The University of Manitoba, University of Winnipeg, Red River Community College and the South Winnipeg Technical Centre are all prepared to offer special training programs, both in college and at the workplace, should major corporations or industries have a large enough demand to warrant such assistance.

i) UNIVERSITY OF MANITOBA

Student enrollment: 23,527

The University of Manitoba, located in Winnipeg, is recognized as one of Canada's leading research universities with a full complement of basic and professional programs. In 1988/89 the student body numbered 23,527 including some 2,486 graduate students. In addition over 11,000 students registered for credit and non-credit courses through the Continuing Education Division. In the same year the total full-time teaching staff was 1,509 and university expenditures totalled \$190 million. That year the university's external income for research and special projects was in the order of \$55 million, of which \$38.1 million was specifically designated for research.

The Faculty of Engineering has an enrollment of 1,130 undergraduates in Agricultural, Civil, Electrical, Geological, Mechanical, Computer and Industrial Engineering. Approximately 300 graduate students are registered in 32 fields of study at the Masters and Doctoral levels in areas such as theoretical and applied mechanics, fluid mechanics and aerodynamics, control systems, digital communication, electronic materials and devices, VLSI design, metallurgical and material science and process control. The Faculty has 80 permanent faculty members, 45 visiting professors, research associates and post doctoral research fellows and 54 technologists and support staff. It has an annual budget of over \$7.6 million, with research grants and contracts adding a further \$2.5 million.

Research facilities of the Faculty of Engineering are extremely well equipped to facilitate research and development capabilities across a broad range of theoretical, technical and industrial demand.

The faculty is justifiably proud of its close links with industry and the resultant R&D efforts ranging from computer aided design and manufacturing to man/machine interfaces. To facilitate even greater co-operation with industry, the faculty has established an Institute for Technological Development which will not only co-ordinate existing activities but promote new ones. It is also the location of two Industrial chairs (co - sponsored) with the Natural Sciences and Engineering Research Council (NSERC), one in electrical power systems and the other in electromagnetics.

ii) RED RIVER COMMUNITY COLLEGE

Student enrollment: 27,000

Red River Community College, located in Winnipeg, is a comprehensive post secondary educational institution committed to the delivery of applied education and training which is directly relevant to the workplace. Red River Community College provides courses to over 27,000 full and part-time students including 4,500 in two-year diploma courses, 3,000 in apprenticeship and other specialized short courses.

One of Red River Community College's most valued attributes is its ability to work with industry to design and deliver specialized courses utilizing either industry's or the institution's facilities and equipment.

The 25-year old college has 740 full-time and part-time staff. The practical work experience possessed by most of the teaching staff combined with an extensive program advisory system and the school's strong industrial contacts combine for a "geared-to-industry" training philosophy at Red River Community College that has made it an invaluable adjunct to the local business and industrial community.

The College has established an Advanced Manufacturing Centre which offers diploma and post-diploma training in computer assisted and flexible manufacturing systems. The facility contains state-of-the-art vertical machining and milling centres, industrial standard robotics and Intergraph CAD/CAM system technology.

The College's roots as an institute of technology has served to maintain its claim to the maintenance of a strong technological and industrial focus. This focus extends beyond full-time program offerings to a wide range of part-time, on-the-job, and custom training programs tailored to the specific needs of employers. Currently the College is engaged in special training projects with and on behalf of industry with Manitoba Hydro and the Manitoba Telephone System.

iii) UNIVERSITY OF WINNIPEG

Student enrollment: 7,600

The University of Winnipeg was founded in 1967, although its evolution as Manitoba College, Wesley College and finally United College covered over 100 years. Located in downtown Winnipeg, the university offers three and four year degrees in Arts and in Science. Total enrollment is slightly over 7,600 of which almost 4,300 are part-time students.

The University of Winnipeg is particularly proud of its Business Computing courses leading to three year B.A. or four year B.Sc. degrees with Administrative Studies majors. These computing courses entail hands on, practical, workplace experience.

The University of Winnipeg is still successful in working directly with industry in the area of co-operative course design in the field of Chemistry. This experience will be closely monitored in order to enable the University to recognize other areas where business/industry/university co-operation might be mutually beneficial.

iv) SOUTH WINNIPEG TECHNICAL CENTRE (SWTC)

The SWTC has been offering skills training since September 1985. Of particular interest are courses in Industrial Electronics, Industrial Control and Automation and Auto CAD training.

The SWTC has earned an excellent reputation in the business community for its ability to respond quickly to employer's training needs. Training in Electronics, PLC's CNC, Welding upgrading, and Auto CAD are but a few training packages that have been recently delivered.

The SWTC has the ability to design very specific courses to meet employers training needs. Training is offered primarily at the Centre but can easily be delivered at the employer's premises.

2. TRAINING ASSISTANCE

The delivery mechanism for industrial training assistance often takes the form of a cooperative venture between the federal and provincial governments. The Province through its education system and various teaching facilities can provide courses, instructors, equipment and training techniques to augment those of the company itself. Both the federal and provincial governments participate in the form financial assistance programs. The federal program is administered by the Department of Employment and Immigration. The pertinent federal programs under the Canadian Jobs Strategy re discussed below.

3. SKILL INVESTMENT

i) EXTENDED TRAINING LEAVE:

- Wage Reimbursement: The lesser of 1/3 of the employees regular salary prior to leave or 1/2 of the gross salary paid while on leave or maximum of \$350/week for full-time leave or \$8.75/hour for part-time leave. Self-employed: 1/3 of average weekly draw. Minimum \$210 and maximum \$350 per week.
- Direct Training Costs: 50% of tuition and other fees and course materials.
- Provisions for Disabled: Full reimbursement for special training costs up to a maximum of \$10,000.

ii) TRAINING TRUST FUNDS:

- Federal Contribution to fund as % of employee and employer contributions:
 - first year: 50% of contributions up to a maximum of \$200,000.
 - second year: 33 1/3% of contributions up to a maximum of \$100,000.
 - third year: 33 1/3% of contributions up to a maximum of \$100,000.

Total for three years: \$400,000.

4. SKILL SHORTAGES PROGRAM

The Skill Shortages program is designed to help employers train workers in occupations designated to be in short supply either now or in the future. Employers will have the option of upgrading skills of existing employees or training newly hired employees. Self-employed workers also have access to the Skill Shortages program.

WORK PLACE BASED TRAINING

- . Wage Reimbursement: 60% off-the-job and 25% on-the-job, up to a maximum of \$350 per week.
- . Direct Training Costs: 75% of eligible costs.
- . Provisions for the Disabled: Up to \$10,000 for modifications to the work place.

The Work Place Training provides the best opportunity for your company to utilize the combination of federal funding/provincial course assistance. Staff training courses can be designed by ourselves or in co-operation with the appropriate provincial institution. Likewise delivery of the course can be on or off the job, in-house or at the appropriate institutional facilities.

RESEARCH AND DEVELOPMENT INFRASTRUCTURE

Outside of assistance provided by both federal and provincial government programs, a sizeable research and development community and infrastructure exists in Manitoba.

R&D facilities are operated by agencies of both levels of government and by the universities (particularly the University of Manitoba), all of which have strong linkages to the private sector at all levels - from board representation to joint ventures to fee-for-service contracts.

In addition, private engineering consulting firms, often with international ties, have the capabilities to perform both theoretical and practical analysis. Many medium size companies, which might be suppliers, have research and development capabilities offering the potential for joint venture R&D projects in a wide range of areas.

In total, the facilities contribute to fostering a collegiate network of expertise which are linked through formal professional associations and informal groups.

MANITOBA RESEARCH COUNCIL

Industrial Technology Centre

Located in St. Boniface in eastern Winnipeg and staffed by over 50 scientists, engineers, and technicians, the Industrial Technology Centre operates as a division of the Manitoba Research Council a non-profit agency of the provincial government and a member of a network of provincial research organizations across Canada.

Consulting and product development services are provided to clients on a contractual basis; as well, a wide range of on-line technical information and advisory services, in such areas as patent and product evaluation, are provided - often at no cost to the client.

Areas of expertise include computer aided engineering (CAD, CAM, CIM), electrical and electronics engineering, mechanical and manufacturing engineering and materials and chemical technologies. Capabilities also include a first rate technical information and advisory service.

Supported by fully equipped laboratories specialized services offered include:

- o Design assistance (electronics circuits, computer based systems, communications systems, plant design, process management and control, modelling, finite element analysis, modal analysis and system dynamic analysis);
- o Product development (including prototype development; environmental, vibration and stress testing);
- o Materials testing to various industrial accredited standards;
- o Calibration and quality assurance;
- o Metallurgical testing and analysis.

The Industrial Technology Centre provides direct access to various provincial and federal government assistance programs, such as those offered by the National Research Council - for example the Industrial Research Assistance Program (IRAP).

The Canadian Food Products Development Centre

Located in Portage la Prairie the Canadian Food Products Development Centre specializes in testing and product development for the food, feed and beverage industries. Its expertise and capabilities include:

- product development
- food engineering and process development
- evaluation and testing
- information and advisory services

The Food Centre's capabilities are complemented and enhanced by its close association with other experts within the food and food - related industries.

For small and medium - sized firms, the Centre represents a cost - efficient opportunity to utilize the same sophisticated technical and informational resources once available only to larger companies with in - house capabilities. It provides the same crucial services without the costs associated with staffing and equipping a research and development department. With the Centre's help, small and medium - sized companies can take a food product step - by - step from idea to market.

UNIVERSITY OF MANITOBA

With over 1,509 staff and 23,527 students and a research budget of over \$38.1 million, the University of Manitoba provides a major centre for research activity and technology transfer in many disciplines, with the faculties of Engineering and Science being particularly prominent. Centres of expertise and facilities include:

- o HVDC Centre - expertise in electric power systems
- o Cyclotron laboratory - spiral ridge cyclotron and Narodny linear accelerator for isotope production and microprobe X-ray transmission work
- o Industrial engineering - automation laboratory with modelling capabilities and access to NASA specified software for design and modelling (production control, storage, distribution systems)
- o Heliostat for solar flux measurements
- o Metallurgical laboratory
- o Materials expertise (plastics, ceramics, composites, aluminum casting).
- o Defence systems
- o Antenna design
- o Materials testing
- o Corrosion chemistry
- o Aerodynamics, including a wind tunnel
- o Laser laboratory
- o Cryogenics expertise
- o Services such as cost benefit analysis and system design

In addition, the Faculty of Management, the new Transportation Institute, and groups in computer sciences, artificial intelligence and statistical quality control complement these activities.

SCIENCE PLACE CANADA - CANADIAN INSTITUTE OF INDUSTRIAL TECHNOLOGY

This \$36 million facility operated by the National Research Council is located in downtown Winnipeg. It is designed to offer a complete research environment, and to act as a focal point for partnerships of technical teams from industry, universities, and government - particularly in the areas of advanced manufacturing.

It will house a modern research equipment and testing facilities and can accommodate over 200 professionals. In addition, a large library and on line data bases are available.

Research activities can be concentrated in such areas as:

- o Sensor based robotics and controls
- o Automation and testing of manufacturing processes (computer integrated and flexible manufacturing systems)
- o Artificial intelligence

The facility provides access to the full range and strength of the National Research Council - Canada's leading research and scientific information agency.

Co-operative NRC-industry research projects are to be undertaken with the provision of NRC research facilities and staff. A capital budget (estimated at \$3 million) is to be available for the purchase of multi-user research equipment for the facility.

WHITESHELL NUCLEAR RESEARCH ESTABLISHMENT

At Pinawa, northeast of Winnipeg, Atomic Energy of Canada Ltd. (a federal agency) maintains a major research and consulting services facility, with annual revenues of \$80 million and employing over 300 professional scientists and engineers and a similar number of skilled technicians.

As well as offering services related to nuclear development (waste management, safety, medical biophysics, environmental radiation, fuels, materials, and thermohydraulics), the Whiteshell Establishment also offers expertise and services related to a wide range of applications, some of which include:

- o Electron microscopy
- o Neutron activation analysis
- o Surface analysis
- o Analytical and research chemistry
- o Meteorological and environmental research and impact, and waste management
- o Comprehensive mechanical testing and metallurgical services (e.g. corrosion testing)
- o Trace element analysis
- o Combustion testing and heat transfer systems
- o Cost benefit and risk analysis

FINANCIAL ASSISTANCE FOR R&D EXPENDITURES

The federal government provides significant support for research and development and the full suite of incentives and assistance is available in Manitoba, including:

- o Investment Tax Credit for scientific research expenditures - a roll-over credit of up to 20%, over and above the ability to expense R&D costs.
- o Industrial and Regional Development Program (IRDP), operated by the Department of Regional and Industrial Expansion - in particular the Innovation element: studies, product development, industrial design, staff upgrading.
- o Industrial Research Assistance Program (IRAP), administered by the National Research Council - information services, contributions to laboratory investigations and research projects.
- o Defence Industry Productivity Program (DIPP) - contributions and repayable loans on a negotiated cost-shared basis.
- o Program for Industry/Laboratory Projects (PILP) - NRC program offering negotiated contributions/contracts to transfer technologies from government/university laboratories to industry.
- o Technology Support Through Procurement, operated by Supply and Services Canada, which, in part, also promotes industrial R&D capability through contracting out government requirements as well as funding unsolicited proposals.
- o Research Manpower Awards (up to \$25,000 per annum) and Research Grants (by negotiation) offered by the Natural Sciences and Engineering Research Council (NSERC), to promote greater co-operation between industry and university researchers.

ECONOMIC DEVELOPMENT PROGRAMS

The government of Manitoba's economic development strategy focuses on long-term priorities to ensure sustainable growth of the economy. The province fosters a win-win climate for new, expanded or existing business interests.

The government of Manitoba has financial, incentives and support programs designed to assist businesses in every sector.

FEDERAL GOVERNMENT PROGRAMS

Western Diversification Initiative

In 1987, the government of Canada introduced the \$1.2 billion Western Diversification Initiative. It is an investment fund designed to broaden and strengthen the economic base of Western Canada. The essential requirements which will determine the acceptability of proposals under the Program will be the contribution a project would make to the diversification of the economy. The key element of the program is flexibility.

Industry, Trade and Tourism staff work closely with interested business concerns to assist in exploring opportunities under the Western Diversification Initiative as well as other appropriate federal programs.

PROVINCIAL GOVERNMENT PROGRAMS

Feasibility Studies Program

The Sectoral Development Branch of Manitoba Industry, Trade and Tourism provides cost - sharing of up to 50% of the costs incurred by new or expanding business to undertake studies in the areas of market research, business plan development, productivity improvement and site location.

Health Industry Development Initiative

The program's objective is to develop export products in the Health Care Sector. A number of financial and other forms of assistance are available to support research and development and new project start - ups.

Trade Assistance Program

1. Trade Fairs (Solo) - provides cost sharing support for individual company participation in trade shows outside Manitoba.
2. Trade Fairs (Group) - organization and management of group participation by Manitoba firms in recognized domestic and international trade shows selected by Trade Branch.
3. Trade Missions (In - Coming/Out - Going) - provides support for sales missions to identified export markets and visits of foreign buyers to Manitoba.

Marketing Plan Program

Cost sharing assistance for product market analysis, export package design, labelling and sales promotion material.

Manitoba Industrial Opportunities Program

A highly flexible program designed to attract new capital investment into Manitoba. The program can provide a variety of incentives which could include loan guarantees, interest subsidies, equity investment by way of taking a preferred or common position, land development, personnel development including training costs, provincial purchasing agreement and other forms of more direct financial assistance. Each agreement is negotiated separately and is tailor - made to meet each companies needs.

Manufacturing Adaptation Program

The program's objective is to assist manufacturing and processing firms to adapt high technology to their operations. Through the introduction of state-of-the-art technology, firms will be able to increase productivity, quality, competitiveness and exports. The program offers two types of assistance: support for technology adaptation studies and 5 year loans for the purchase of high technology equipment.

Technology Commercialization Program

The program supports industry in two areas:

1. **New Business Assistance** - This element of the program is designed to identify and support entrepreneurs or existing companies with innovative technological ideas. Financial support is available up to 75% of eligible expenses to a maximum of \$75,000.
2. **Technology Transfer** - This element of the program is designed to facilitate the transfer of technological developments to industry. On application, financial support may be approved to help offset the costs incurred by Manitoba based companies in the acquisition of technologies. An objective of this element is to encourage Manitoba companies to broaden their technological base, enhance their commercial viability, and create jobs for Manitobans.

INDUSTRIAL INFRASTRUCTURE SUPPORT

Manitoba has the largest and most diversified manufacturing sector in Western Canada. About 1,300 establishments are engaged in manufacturing. In 1988 they employed 63,000 people and produced goods valued at approximately \$6.2 billion.

Manitoba has dozens of thriving high technology ventures, large and small, in industries such as aerospace, electronics, telecommunications and electrical. These diversified manufacturers serve international markets and foster the growth of sophisticated support services.

- AEROSPACE

The total capability of this industry is extensive, including design, development, manufacture and service of aerospace equipment, components and accessories. There are currently four major companies employing over 3,500 aerospace workers plus a growing number of smaller sub - contractors to the aerospace industry in Manitoba.

- ELECTRONICS

Research and development, design, productivity and quality have led to the success of more than fifty electronics companies. State-of-the-art products include telecommunication systems, defence equipment, computer peripherals, micro-computers, software products, medical-electronic equipment and special purpose instruments.

- METAL FABRICATION

The metals fabricating industry produced factory shipments of \$390 million in 1989. Of this total activity, an ever increasing number of companies are engaged in high precision fabrication of products in exotic metals utilizing the latest in C.N.C. machinery and equipment.

POTENTIAL MANITOBA SUPPLIERS

There are many Manitoba firms that have the skills and capabilities to act as suppliers of high tolerance sub - components. Many of these companies are currently supplying products to off shore customers on time and at competitive prices.

The Manitoba government is prepared to work along with your company and potential sub - contractors to devise and implement training support programs and other upgrading programs if necessary to ensure the superior performance by local suppliers.

TRANSPORTATION

RAIL

Winnipeg is centrally located on the main lines of both the Canadian National Railway (CNR) and the Canadian Pacific Railway (CP Rail) and all rail traffic between eastern and western Canada must pass through Winnipeg. Winnipeg is also the only major city between Vancouver and Thunder Bay with direct U.S. rail connections.

Both CNR and CPR maintain extensive marshalling yards with major service facilities. CNR's Symington Yards has a standing capacity of over 7,000 cars and can sort and dispatch 6,000 cars per day. CPR's rail yard has a standing capacity of 14,000 cars with continuous interswitching and is capable of switching and sorting 5,000 cars per day.

With three rail connections to the U.S., Winnipeg enjoys ready access to the world's largest market.

Service to the United States is provided by CN and CP together with their U.S.A. "family" lines as well as the Burlington Northern from Winnipeg.

The Canadian National, with its U.S. rail division, the Grand Trunk Corporation and the Duluth Winnipeg and Pacific is the largest railroad system in North America. CNGT has some 35,000 miles of track servicing 17 states in the U.S. industrial core and stretches coast-to-coast in Canada, with direct service to the extreme northern regions of Canada.

CN connects to the Port of Duluth, Minnesota. CN Rail also serves the Port of Churchill, Manitoba.

CP Rail provides coast to coast service in Canada, and through its family line, the Soo Line R.R. provides extensive service to the United States.

Burlington Northern Railways, with direct connections to almost one-half of the United States, has terminal facilities in Winnipeg complete with "piggyback" services.

Manitoba is fully served by Canada's intermodal rail systems - Canadian National Railway and CP Rail. Intermodal, which includes containers on flat cars as well as trailers on flat cars provides efficient and flexible service on domestic and international traffic, including import and export. The Burlington Northern also provides intermodal service to all points served in the U.S.A.

**TRANSPORTATION: VARIOUS MODES
TIME IN TRANSIT FROM WINNIPEG**

MODE OF TRANSPORT					
From Winnipeg	Truckload	Less-Than Truckload	Rail Carload	Inter-Modal (Piggy Back) Van Trailer	AIR
TO:	Day(s)	Day(s)	Day(s)	Day(s)	Hours
Vancouver	3	3	2 1/2	3	3
Toronto	3	3	2	2	2 1/4
Montreal	3	3	2	3	3 1/4
Halifax	5	5	3 1/2	7	5
Portland, OR	4 1/2	5	3 1/2	7	4 3/4
Los Angeles, CA	4 1/2	5	6	10	3 1/4
Kansas City, KA	3	4	2 1/2	6	3 1/2
Houston, TX	4	5	4	9	7 1/2
Denver, CO	4	5	2 1/2	10	3 1/4
Minneapolis, MN	1	2	1	5	1 1/4
Chicago, IL	2	3	2	7	2
Cincinnati, OH	3	4	2 1/2	8	3 1/2
Pittsburgh, PA	4	5	3	8	4
Boston, MA	4	5	3	10	4 3/4
New York, NY	4	5	3	10	4 3/4
Miami, FL	5	6	5	12	5 1/4

NAMES OF CARRIERS PROVIDING INFORMATION

Truckload - Canada - Reimer
 - U.S.A. - Penner International

Less Than Truckload - Canada - Reimer
 - U.S.A. - Yellow Freight System

Rail Carload - Canadian National Railways (with Burlington Northern Railway)

Intermodal - Canada - C.N. Intermodal
 - U.S.A. - Can-Am Intermodal

Air - Obtained from the Official Airline Guide

MOTOR CARRIERS

Manitoba maintains an important and prominent position as a transportation centre with nine of the fourteen largest interprovincial trucking firms being headquartered in Manitoba.

- *Arnold Bros. Transport Ltd.
- *Atomic Interprovincial Transportation Systems
- *Pauls Hauling Ltd.
- *Motorways - Direct
- *Kleysen Transport Ltd.
- *Imperial Roadways Inc.
- *Penner International Ltd.
- *Trans - X Ltd.
- *Reimer Express Lines Ltd.
- Day and Ross Inc.
- Trimac
- CP Express and Transport
- Kingsway Freight Lines Ltd.
- TNT Canada Ltd.

* Headquartered in Manitoba

In addition, Winnipeg is the corporate headquarters of Federal Industries Ltd., the largest highway transportation company in Canada and the seventh largest in North America.

Manitoba's central location permits fast and efficient highway transportation to all points in North America. Traffic moving east and south is often classified as return haul traffic and frequently receives reduced rates.

In addition to excellent service by highway carriers, the CPR, CNR and the Burlington Northern Railway all operate intermodal terminals in Winnipeg. This combines the economies of rail transport with the delivery flexibility of highway transport.

Shipping Distances from Winnipeg to Selected Canadian and U.S. Centres

<u>CANADA</u>	<u>MILES</u>	<u>KILOMETERS</u>
Regina, Saskatchewan	355	571
Thunder Bay, Ontario	444	715
Saskatoon, Saskatchewan	515	829
Calgary, Alberta	835	1,344
Edmonton, Alberta	840	1,352
Windsor, Ontario	1,184	1,905
Kelowna, British Columbia	1,205	1,939
Toronto, Ontario	1,305	2,099
Vancouver, British Columbia	1,387	2,232
Victoria, British Columbia	1,452	2,337
Montreal, Quebec	1,496	2,408
Quebec City, Quebec	1,664	2,678
Moncton, New Brunswick	2,132	3,431
Charlottetown, PEI	2,241	3,607
Halifax, Nova Scotia	2,272	3,656
St. John's, Newfoundland	3,006	4,838
 <u>UNITED STATES</u>		
Minneapolis, Minnesota	456	734
Rapid City, Michigan	678	1,091
Des Moines, Iowa	699	1,125
Billings, Montana	814	1,310
Kansas City, Missouri	829	1,334
Chicago, Illinois	862	1,387
St. Louis, Missouri	1,058	1,702
Denver, Colorado	1,068	1,718
Columbus, Ohio	1,168	1,879
Salt Lake City, Utah	1,292	2,079
Dallas, Texas	1,308	2,105
Portland, Oregon	1,533	2,467
Atlanta, Georgia	1,575	2,534
New York City, New York	1,660	2,671
New Orleans, Louisiana	1,675	2,695
Phoenix, Arizona	1,909	3,072
Los Angeles, California	1,996	3,212

Source: Manitoba Department of Highways & Transportation

AIR TRANSPORTATION

The Winnipeg International Airport's close proximity (15-20 minutes) to the business district of downtown Winnipeg gives it a distinct advantage over other international airports in Canada. With its three paved runways, state of the art navigation systems, newly completed \$100 million renovations, modifications and expansion of its Air Terminal Building and Area Control Centre, Winnipeg is well equipped to handle aircraft and passengers far in excess of what it is currently handling. Winnipeg's generally favorable weather ensures that the airport is usable 99% of the time, on an annual basis.

Winnipeg International Airport is one of the few major North American airports which operates 24 hours a day.

Winnipeg currently receives scheduled air services from Air Canada, Canadian Airlines International Ltd., Northwest Airlines, Northwest Territorial, Ontario Express, Air Ontario, Calm Air, Perimeter and Air Manitoba. In addition to offering air services to the North, South, East, and West, the Winnipeg International Airport is open 24 hours a day (no restrictions) and does not suffer from the airport congestion problems which currently plague some larger international airports.

In 1988, total passenger volumes exceeded 2.5 million and it is anticipated that these volumes will grow at a steady rate.

Cargo handling is also a major activity at the Winnipeg International Airport. All airlines serving Winnipeg handle cargo shipments into and out of Winnipeg on an "other cargo" basis while Air Canada and Northwest Airlines also handle full cargo containers. The airport is also served by two full transcontinental cargo operations, one being Canadian Airlines International, the other Air Canada.

Freight handling facilities at the airport currently consist of the Air Canada Cargo building of 10,405 square meters and the International Aviation Terminal Building of 7,618 square meters.

FREQUENCY OF SCHEDULED PASSENGER FLIGHTS
TO REPRESENTATIVE DESTINATIONS

Number of Flights Per Week as of June, 1990

	<u>Non - Stop Flights</u>	<u>Direct Flights</u>
<u>FROM WINNIPEG TO:</u>		
<u>CANADA</u>		
Calgary	28	34
Edmonton	21	13
Halifax	-	19
Montreal	-	20
Ottawa	34	14
Regina	28	6
Saskatoon	38	-
Sault Ste. Marie	-	8
Sioux Lookout	5	29
Sudbury	-	6
Thunderbay	36	49
Toronto	96	9
Vancouver	29	55
<u>UNITED STATES</u>		
Chicago	7	-
Minneapolis	21	-

Non-Stop - No stop(s) enroute

Direct Flight - Stop(s) enroute - No change of Aircraft.

Source: Official Airline Guide, North American Edition

GOVERNMENT REGULATIONS

This section of the report addresses the main government regulations facing your company in Manitoba. It addresses the following matters:

1. Labour Legislation (this section is set out in a comparative manner with other provinces).
2. Environment (Manitoba's environment legislation is typical of all Western Canadian provinces).
3. Workplace Safety and Health (highlights are given).
4. Taxation (Although this is a complex subject we have attempted to present it in a straightforward and comparative manner).
5. Workers Compensation (rates are given).
6. Canada Pension Plan (a federal program - rates are given).
7. Unemployment Insurance (a federal program-rates are given).
8. City of Winnipeg taxes (rates).

* A detailed copy of the relevant statutes covering government regulations is available on request.

1. LABOUR LEGISLATION

Manitoba's labour legislation is contained in a series of acts:

EMPLOYMENT STANDARDS ACT
VACATIONS WITH PAY ACT
PAYMENT OF WAGES ACT
LABOUR RELATIONS ACT

The following highlights the most significant points for each of the Acts.

Employment Standards Act

The standard hours of work for an employee is eight hours per day and forty hours per week. Exceptions to these hours are possible by order from the Manitoba Labour Board or where applicable through collective agreements. Employees are entitled to overtime when they work more than the standard hours.

The standard overtime rate in Manitoba is one and one half times the regular rate of pay. The minimum wage for hourly employees, is \$4.70 per hour effective September 1, 1988.

There are seven paid general holidays in a year. These are New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day and Christmas Day. Employees who qualify to be paid for the general holiday and work on that day, must be paid at the regular rate of pay for that day, and, in addition to that, one and one half times the regular rate of pay for all hours worked on the general holiday. Notwithstanding the foregoing a person employed in a continuously operating plant is not entitled to receive pay for working or being on duty on a general holiday if, in lieu thereof, he receives equivalent compensatory time off within thirty days or, by agreement, on a date more than thirty days after the general holiday.

Policies respecting termination of employment can be established through the employer confirming the existence of a practice. Except in the case of the foregoing, or where there is just cause of termination, the length of notice must be, at least, equal to one pay period.

Vacations With Pay Act

If employees have worked a year for one employer and have put in 95% of the regular working time, they have the right to a vacation of two weeks with regular pay. Employees who have not worked for 95% of the regular working hours do not have the right to vacation time off. However, they are entitled to vacation pay that is 4% of regular earnings for that year, excluding overtime.

Employees who have worked for the same employer for at least 50% of the regular working hours in each of 4 years in the preceding 10 years, may have a right to three weeks vacation with pay subsequent to the fourth year. If these requirements are not met, the employee does not have the right to 3 weeks off, but still has the right to vacation pay equal to 6% of total regular earnings, provided the 5th year is completed and all other requirements are met.

Payment of Wages Act

Employers are required to pay wages at least as often as semi-monthly to each employee. Wages are to be paid within 5 working days after the expiration of each pay period or within 5 days of termination of employment, if applicable. Alternative arrangements can be made through a collective agreement or an order of the Minister as a result of an application.

Labour Relations Act

The Labour Relations Act deals with employee union-employer relations. Most of the provisions in this Act are based on legislation in force in other jurisdictions.

The Manitoba Labour Board is maintained as the specialist tribunal responsible for fair and efficient administration and adjudication of matters respecting labour relations. The board is tripartite in nature with a full time chairperson, two part-time vice-chairpersons, and an equal number of management and union representatives. The Board's remedial powers to deal with unfair labour practice cases are very similar to powers found in the Ontario Act.

Secret ballot strike votes are required as a precondition to a lawful strike. Strike votes are not required in Ontario. Employers can hire temporary workers during a work stoppage unlike Quebec which does not allow the replacement of workers.

Manitoba's and Ontario's Acts provide employees with a recurring opportunity to change their minds about their decision to unionize, or their choice of a particular union.

Manitoba together with the Canadian jurisdictions of B.C., Ontario and Quebec have first contract legislation. The significance of the first contract provisions is in promoting voluntary agreements by the parties involved. Most newly certified unions and employers have continued to reach their own agreements without any resort to the first contract provisions.

A union may apply to be certified on the basis of signed membership cards and the Labour Relations Board will determine whether the union can be certified primarily by counting membership cards to determine the level of support. This is used in almost all jurisdictions in Canada. Only Nova Scotia orders votes in every case.

2. ENVIRONMENT

The Province of Manitoba has adopted guidelines with regard to emissions that are generally in line with those of the EPA in the United States, and the Canadian Government Department, Environment Canada.

A business locating in the Province which will or may result in the discharge of contaminant into the environment must submit a proposal to the Environmental Control Branch of the Manitoba Government. Assistance in developing an acceptable proposal is available on request.

The Minister responsible for environment may approve the proposal or refer it to the Manitoba Clean Environment Commission. The latter may hold a hearing. Variations to guidelines may be permitted by the Commission after a hearing. In addition, where no regulation exists which prescribes limits, terms and conditions, those which are stated in an applicant's proposal may be permitted by the Commission after it holds a hearing.

3. MANITOBA'S WORKPLACE SAFETY AND HEALTH ACT

The general purpose of the Workplace Safety and Health Act is to protect workers and self-employed persons from risks out of, or in connection with, activities in the workplace. In addition, the objective is to protect other persons from risks to their safety arising out of activities in the workplace.

The general duties of employers and workers, under the Act, are summarized in the following tabulation:

GENERAL DUTIES OF EMPLOYERS AND WORKERS

	<u>Employers</u>	<u>Workers</u>
General Health and Safety	Ensure safety and health of workers as far as reasonably practicable. Ensure other workers protected from safety and health hazards while in the workplace as far as reasonably practicable.	Take reasonable care to protect his/her safety and health and that of any other person who might be affected by his/her act or omissions.
Safe Workplace Equipment	Provide, maintain safe and healthy workplace, tools, necessary equipment and systems as far as reasonably practicable.	Use or wear protective devices clothing, equipment as required by nature of work and as provided by employer and/or required under Regulations.
Information Training	Provide workers with information, instruction training and supervision necessary to ensure safety and health as far as reasonably practicable. Acquaint workers, especially supervision, with information about potential safety and health hazards or work. Provide paid leave for committee members or representatives to attend training.	

Compliance	Comply with provisions of Act and Regulations. Provide written report of compliance with an improvement order to Safety and Health Officer as well as to safety and health committee or representative.	Comply with Act and Regulations.
Co-operation	Consult and co-operate with safety and health committees or representatives as applicable in the carrying out of their duties, rights and responsibilities under the Act. Co-operate with any persons while they are carrying out duties under the Act or Regulations (e.g. Safety and Health Officer).	This same duty applies to workers. This same duty applies to workers.
Committees, Representatives	Establish safety and health committees or representatives as required under Act.	
Discriminatory Action	Not to take discriminatory action against workers because they are exercising a right or a duty under the Act or for giving evidence or for providing information regarding safety and health in the workplace.	
Unusually Dangerous Work	Not to require or allow workers to do work which involves unusually dangerous conditions which the employer is aware of or should be aware of.	

Notes

1. This duty applies to a union or any other person acting on behalf of an employer as well.
2. This applies to an agent of the employer or people acting in a supervisory capacity at the workplace as well.

The Workplace Safety and Health Division is responsible for the administration and enforcement of the Act. Administration includes the setting of standards through regulations and codes of practice as well as the provision of information and education concerning safety and health issues. Enforcement is achieved through the powers granted to Division Officers to inspect the workplace and to make Orders e.g. improvement as well as through the Act's provisions for offences and prosecutions.

4. TAXATION

CORPORATE INCOME TAX

Corporations are essentially liable for three levies at the provincial level in Manitoba. These are represented by corporate income tax where the effective rate is currently 17%, a corporation capital tax, predicated on the paid up capital, at a rate of 0.5% and a health and post-secondary education levy of 2.25% of the payroll.

Corporate income taxes payable in Manitoba are a function of taxable income as defined by the federal regulations.

A brief summary of the current status is therefore warranted. The current federal basic rate of corporate tax on manufacturing income is 25%. Accelerated capital cost allowance of up to 50% are applicable in calculating taxable income. In addition, a 3% surtax is in effect.

	<u>Percentage Effective Rate</u>		
	<u>July,1</u> <u>1989</u>	<u>July,1</u> <u>1990</u>	<u>July,1</u> <u>1991 and subsequent</u> <u>years</u>
Manufacturing Income	25	24	23
Surtax on all Corporations	3	3	3

Qualified research and development expenditures undertaken in Manitoba, are eligible for a 20% federal investment tax credit.

Corporate taxes payable in Manitoba are 17% of federal taxable income for large corporations and 10% for small corporations.

Sales Taxes

(a) Federal

The Federal Government applies an 13.5% rate of sales tax to all goods manufactured or produced in Canada, or imported into Canada. Manufacturers are required to apply for a Manufacturers Sales Tax Licence.

The sales tax is calculated on the selling price of the product, less discounts, freight and other statutory deductions. Export of goods manufactured in Canada and purchase of production machinery is exempt from this tax.

The existing federal sales tax will be replaced by a Goods and Services of 9% on January 1, 1991. This tax is a value - added tax similar to those of Europe, Japan and New Zealand. A value - added tax refunds all sales tax paid by producers on their inputs.

(b) Provincial

The Manitoba government imposes a 7% tax on all retail sales. This tax is collected once from the ultimate consumer. Sales made outside of Manitoba are exempt from this tax. No sales tax is applicable on materials used in the manufacture of goods for sale.

Production machinery and equipment in a plant incurs the Manitoba provincial sales tax.

Corporate Capital Tax

The basic rate of corporate capital tax, payable in Manitoba, is 0.3% of the paid up capital of the corporation at the close of its fiscal year with a 0.2% surcharge being imposed on corporations with paid-up capital in excess of \$10 million.

Health and Post Secondary Education Levy

Manitoba imposes a Levy for Health and Post-secondary Education on salaries and wages. The effective rate collected from employers with payrolls over \$1.2 million, is 2.25% of the payroll.

PERSONAL INCOME TAX

The following table shows the 1989 personal federal income tax rates.

1989 Federal Income Tax Rates
Based on 1989 Figures

<u>Taxable Income</u>	<u>Tax</u>
\$ 27,500 or less	17%
\$ 27,500 to 55,000	26%
\$ 55,000 or more	29%

Manitoba imposes a 52% rate calculated as a percentage of a federal taxes payable. A net income tax of 2% is levied with an offset being provided based on income and family circumstances. A high surtax or an additional 2% of net income is applied to net income over \$30,000 (for a single tax filer).

* An inter - provincial comparison of major levies and budget changes follows.

INTER - PROVINCIAL COMPARISON OF MAJOR LEVIES

	<u>Nfld.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>QUE.</u>	<u>ONT.</u>	<u>MAN.</u>	<u>SASK.</u>	<u>ALTA.</u>	<u>B.C.</u>	<u>REVENUE PER UNIT INCREASE (\$ million)</u>	<u>MANITOBA'S RANKING</u>
Personal Income Tax (% of Basic Federal Tax)	61.0(g)	57.0(a)	56.5	60.0	*	52.0(a)	52.0(a)	50.0(a)	46.5(a)	51.5	16(%)	(5-6)
Corporation Income Tax (% of Taxable Income)(b)												
- Large	17.0	15.0	15.0	16.0	6.16	15.5	17.0	15.0	15.0	14.0	10(%)	(1-2)
- Small	10.0	10.0	10.0	9.0	3.36	10.0	10.0	10.0	9.0	9.0	5(%)	(1-6)
Sales Tax (%)	12.0	10.0	10.0	11.0	9.0	8.0	7.0	7.0	-	6.0	96(%)	(7-8)
Unleaded Gasoline (c/l.)	9.8(c)	8.3	8.2	9.8(c)	14.40	10.3(c)	9.0(c)	10.0(c,d)	5.0	7.79(c)	13(c/l)	(6)
Diesel Fuel (c/l.)	12.0	8.7	8.5	11.4	12.45	10.9	9.9	10.0(c,d)	5.0	8.23	3/(c/l)	(6)
Locomotive Fuel (c/l.)	-	8.8	-	3.6	9.0%	3.4	13.6	15.0	5.0	2.42	2/(c/l)	(2)
Tobacco Tax (c/cig.)	5.28(e)	4.70	4.50(e)	5.08(e)	4.52	3.83(e)	6.5(e)	6.68	4.8	5.0	8/(c/cig)	(2)
Capital Tax (%)	-	-	-	-	0.50	0.3	0.3(f)	0.5(f)	-	-	10/(0.1%)	(3-4)
- Banks (%)	2.0	1.5	1.5	3.0	1.01	0.8	3.0	3.0	-	2.0	5/(%)	(1-3)
- Trust and Loan Companies	2.0	1.5	1.5	3.0	1.01	0.8	3.0	3.0	-	2.0	2/(%)	(1-3)
Employer Payroll Tax	-	-	-	-	3.36	-	2.25	-	-	-	85(%)	(2)
Health/Medicare Premiums (\$ per year)	-	-	-	-	-	-	-	-	-	-	-	-
- Single Person	-	-	-	-	-	357.0	-	-	237.0	372.0	n.a.	n.a.
- Married Couple	-	-	-	-	-	714.0	-	-	474.0	660.0	n.a.	n.a.
- Family of 3 or more	-	-	-	-	-	714.0	-	-	474.0	744.0	n.a.	n.a.
Accident, life and sickness insurance premiums (%)	4.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	n.a.	(3-10)

*The Quebec personal income tax is levied directly against taxable income.

(a) These provinces impose surtaxes on higher income taxpayers. Saskatchewan and Manitoba levy a 2.0% flat tax on "net income." Alberta levies a 0.5% tax on "taxable income."

(b) The rates shown are the general rates. Some provinces apply special rates to certain types of business income.

(c) Manitoba levies a 1.8c/l., B.C. and Saskatchewan a 2.0 c/l., New Brunswick a 2.2c/l. and Ontario a 3.0c/l. transit levy.

(d) Saskatchewan residents may claim a full rebate each spring for fuel tax paid to full amount receipts (except the leaded fuel surcharge).

(e) These provinces also apply sales taxes to tobacco products.

(f) Manitoba imposes a 0.2% surcharge on large corporations. Saskatchewan applies a 2% surcharge on specified resource sales of large corporations.

(g) In Newfoundland a 2% rate increase occurs on July 1, 1989. However, the effective rate is only 61% in 1989 and 62% in 1990.

June 19, 1989

INTER - PROVINCIAL COMPARISON OF MAJOR LEVIES

	<u>Nfld.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>QUE.</u>	<u>ONT.</u>	<u>MAN.</u>	<u>SASK.</u>	<u>ALTA.</u>	<u>B.C.</u>	<u>MANITOBA'S RANKING 1=HIGHEST</u>
Personal Income Tax (% of Basic Federal Tax)	62.0(g)	57.0(a)	56.5	60.0	*	53.0(a)	52.0(a)	50.0(a)	46.5(a)	51.5	(6)
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Capital Tax(%)	-	-	-	-	0.50	0.3	0.3(f)	0.5(f)	-	-	(3-4)
- Banks (%)	2.0	1.5	1.5	3.0	1.01	0.8	3.0	3.0	-	2.0	(1-3)
- Trust and Loan Companies (%)	2.0	1.5	1.5	3.0	1.01	0.8	3.0	3.0	-	2.0	(1-3)
Employer Payroll tax Health/Medicare Premiums (\$ per year)	-	-	-	-	3.36	.98-1.95	2.25	-	-	-	(2)
- Single Person	-	-	-	-	-	-	-	-	237.0	372.0	n.a.
- Married Couple	-	-	-	-	-	-	-	-	474.0	660.0	n.a.
- Family of 3 or More	-	-	-	-	-	-	-	-	474.0	744.0	n.a.
Accident, life and sickness insurance premiums (%)	4.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	(3-10)

Note: Rates shown in boldface take effect in 1990.

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(g) In Newfoundland 2% rate increase occurs on July 1, 1989. However, the effective rate is only 61% in 1989 and 62% in 1990.

5. WORKERS COMPENSATION

All employers are required to pay premiums to a compulsory provincial fund (Accident Fund) according to the level of hazard in their industrial sector. The provincial rates of assessment are fixed by the Workers Compensation Board of Manitoba. The maximum assessable earnings of each worker for 1989 is \$34,000.

Compensation claims are reviewed and benefit entitlements are awarded accordingly. Loss of earnings are compensated to a level of 75% of average gross earnings at the time of the accident. The maximum amount payable is \$25,000 which is 75% of the \$34,000 maximum. Benefits continue as long as there is a disability due to the work related accident or sickness.

6. CANADA PENSION PLAN

All employees are required to contribute to the Canada Pension Plan which requires a matching contribution from the employer. There is a basic exemption and minimum level of pensionable earnings. Deductions and employer contributions are remitted to the government monthly. The detailed information is presented in the following table for 1989.

Year's Maximum Pensionable Earnings	\$ 27,700.00
Year's Basic Exemption	2,700.00
Maximum Earnings on Which Contributions are Based	25,000.00
Maximum Employee Contribution (1.8% of \$23,300)	525.00
Maximum Employer Contribution	525.00

7. UNEMPLOYMENT INSURANCE

All employees and employers are required to pay federal unemployment insurance premiums based on earnings to a maximum insurable earnings level, subject to meeting minimum earnings levels. Deductions are made from each pay cheque at the prescribed rate. Deductions and employee contributions are remitted to the federal government on a monthly basis.

Employees earnings have to be insured when one of the following two criteria is met. These are cash earnings of \$121.00 or more per week or work 15 hours or more in a week.

Yearly Maximum Insurable Earnings	\$ 31,460.00
Maximum Employee Contribution @ 1.95%	613.60
Maximum Employer Contribution @ 1.4%	859.04

It should be noted that an employers premium can be reduced where a wage-loss replacement program is maintained which would effectively reduce unemployment sickness benefits payable under certain circumstances.

8. BUSINESS REGULATIONS AND TAXES - CITY OF WINNIPEG

It is necessary to fulfill two requirements set out by the civic government.

Zoning Regulations

All businesses are required to conform to City zoning regulations.

Business Tax

The City business tax is a percentage (6%-20%) of the assessed annual rental fee of the property as determined by City Assessors. In essence this is the cost to occupy the premises and for a manufacturing operation the effective rate is 10%.